

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

In re: § **Chapter 11**

FIELDWOOD ENERGY LLC, *et al.*, § **Case No. 20-33948 (MI)**
§ **(Jointly Administered)**

Debtors.¹ §

**MARUBENI OIL & GAS (USA) LLC'S OBJECTION TO DEBTORS' NOTICE TO
CONTRACT PARTIES TO EXECUTORY CONTRACTS AND UNEXPIRED LEASES
OF THE SCHEDULE OF ASSUMED CONTRACTS AND CURE AMOUNTS**

[Related to Docket Nos. 1395, 1456]

Marubeni Oil & Gas (USA) LLC (“MOGUS”) hereby files this Objection to *Debtors'* *Notice to Contract Parties to Executory Contracts and Unexpired Leases of the Schedule of Assumed Contracts and Cure Amounts* (Docket No. 1395) and *Notice of Filing of Amended Schedule of Assumed Contracts and Cure Amounts* (Docket No. 1456) (collectively, the “Cure Notice”) and states as follows:

BACKGROUND

1. MOGUS and Fieldwood Energy LLC (“Fieldwood”), among others, are parties to that certain First Amended and Partially Restated Thunder Hawk Production Handling Agreement dated February 11, 2009 (the “Thunder Hawk PHA”) by which Fieldwood, as operator of the Thunder Hawk Facility (as defined in the Thunder Hawk PHA), provides processing services to

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, as applicable, are: Fieldwood Energy LLC (6778), Fieldwood Energy Inc. (4991), Fieldwood Onshore LLC (3489), Fieldwood SD Offshore LLC (8786), Fieldwood Energy Offshore LLC (4494), Fieldwood Offshore LLC (2930), GOM Shelf LLC (8107), FW GOM Pipeline, Inc. (8440), Galveston Bay Procession LLC (5703), Galveston Bay Procession LLC (0422), Fieldwood Energy SP LLC (1971), Dynamic Offshore Resources NS, LLC (0158), Bandon Oil and Gas, LP (9266), and Bandon Oil and Gas GP, LLC (9172). The Debtors' primary mailing address is 2000 W. Sam Houston Parkway S., Suite 1200, Houston, TX 77042.

MOGUS (and others) for production from Lease No. OCS-G 21778, Mississippi Canyon 734 (the “Thunder Hawk Prospect”).

2. MOGUS and Fieldwood (and others) are also parties to the “Thunder Hawk Operations Agreement” found at Exhibit G to the Thunder Hawk PHA, which provides in Attachment 4-B (the “Thunder Hawk Facility Market Based NGL Bank”) the terms for debits or credits to each Facility Producer (as defined in the Thunder Hawk PHA) for gas processing value deviations due to commingling of Gas at the Thunder Hawk Facility.

3. Pursuant to the terms of all of these agreements, and as further evidenced by the invoice number NGLBNK07204I dated August 31, 2020 issued by Fieldwood to MOGUS, MOGUS is owed **\$1,731.44** from Fieldwood for the Thunder Hawk Facility Market Based NGL Bank on production delivered in July 2020.²

4. MOGUS and Fieldwood (and others) are also parties to that certain Production Handling Agreement for Green Canyon Blocks 68, 69, 111, 112, 113, 155, 156, and 157 at the Green Canyon Block 65 Platform dated March 1, 2009, as amended and subsequently assigned, (the “Bullwinkle PHA”) by which Fieldwood, as operator of the Bullwinkle Platform (as defined in the PHA) provides processing services to MOGUS (and others) for production from Lease Nos. OCS-G 15545/Green Canyon 112 and OCS-G 15546/Green Canyon 113.

5. The PHA provides the terms for making monetary adjustments to the applicable producers whose production is handled through the Bullwinkle Platform, based on product value deviations due to commingling of production at the Bullwinkle Facility.

6. Pursuant to the terms of the Bullwinkle PHA, and as further evidenced by the attached invoice numbers 0620GC65MARU dated August 20, 2020 for June 2020 production and

² Invoice number NGLBNK07204I is attached hereto as **Exhibit A**.

0720GC65MARU dated September 22, 2020 for July 2020 production, and invoice number 0820GC65MARU for prepetition days of August 2020 production, all of which are issued by Fieldwood to MOGUS, MOGUS is owed \$8,038.96 for June 2020 production and \$43,319.61 for July 2020 production and \$715.02 for August 2020 production from Fieldwood, for a total of **\$52,073.59**.³

7. On May 27, 2021, Debtors' filed the Cure Notice, in which Debtors appear to evidence their intention to assume certain contracts related to the Bullwinkle PHA as well as the Thunder Hawk PHA/Thunder Hawk Operations Agreement.

OBJECTIONS

MOGUS objects to the Cure Notice as follows:

8. The Cure Notice fails to provide sufficient information on its face to allow MOGUS to clearly identify the contracts at issue. The Cure Notice identifies nearly 2,000 contracts, most of which identify the original contract parties (if at all) and certain other "related release parties," with no clear indication of the significance of such designation. MOGUS thus objects to the Cure Notice as insufficient for failing to adequately describe the relevant agreements.

9. Due to the Cure Notice's inadequate descriptions, MOGUS reserves the right to further object to the Cure Notice and any amendments thereto.

10. With respect to the Bullwinkle PHA, Debtors have identified a \$0.00 cure amount. For the reasons set forth above, the proper cure amount in order Fieldwood to assume the Bullwinkle PHA is **\$52,073.59**, based upon amounts owed by Fieldwood prepetition production is handled through the Bullwinkle Platform pursuant to the terms of the Bullwinkle PHA.

³ Invoice numbers 0620GC65MARU, 0720GC65MARU, and 0820GC65MARU attached *in globo* hereto as **Exhibit B**. The attached invoice number 0820GC65MARU reflects the total amount due and owing prior to recognizing an August 2020 cash out of \$6,673.57.

11. With respect to the Thunder Hawk PHA, MOGUS understand the cure amount to be \$0.00.⁴ As set forth above, pursuant to the relevant agreements, Fieldwood has failed to honor amounts due for the Thunder Hawk Facility Market Based NGL Bank in the amount of \$1,731.44. Thus, the proper cure amount due to MOGUS under the relevant Thunder Hawk contracts is **\$1,731.44.**

RESERVATION OF RIGHTS

12. MOGUS expressly reserves its rights with respect to the Cure Notice and any amendments to same, adequate assurance of the future performance, Debtors' Plan and Restructuring Transaction, and all rights with respect to any claim it may assert in this case.

Respectfully Submitted,

LOOPER GOODWINE P.C.

/s/ Paul J. Goodwine

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⁴ Although the Thunder Hawk PHA is not expressly listed on the Cure Notice, a number of agreements associated with Thunder Hawk PHA and/or the Thunder Hawk Prospect are included on the Cure Notice, indicating Debtors' intent to assume the relevant contracts. MOGUS presumes the Thunder Hawk PHA will be added on a subsequent amended list for the Cure Notice, but, in abundance of caution, has included amounts due and owing herein.

CERTIFICATE OF SERVICE

I hereby certify that on this 7th day of June, 2021 a true and correct copy of the foregoing document was served via this Court's CM/ECF system on all parties having consented to such electronic service in this case.

/s/ Paul J. Goodwine
Paul J. Goodwine